

**ARIZONA BOARD OF APPRAISAL
SUBSTANTIVE POLICY STATEMENT #2**

GUIDELINES FOR SUPERVISING APPRAISERS AND TRAINEES

An excellent resource for trainees is the Student Appraiser Guide, which is located on The Appraisal Foundation's website: www.appraisalfoundation.org.

When obtaining experience for licensure/certification, the Arizona Board of Appraisal's rules state that a trainee:

1. May have more than one supervising appraiser.
2. Must maintain a log that includes: (a) type of property, (b) date of report, (c) property description, (d) description of work performed by trainee and scope of review and supervision by supervising appraiser; (e) number of actual work hours by trainee, and (f) signature and state license*/certificate number of supervising appraiser.

When a trainee is obtaining experience for licensure/certification, the Arizona Board of Appraisal's rules require that a supervising appraiser:

1. Must be a licensed* or certified appraiser actively engaged in performing appraisal assignments.
2. Must have at least four years of experience as a practicing appraiser.
3. Must be in good standing and not have had a license/certificate placed on suspension, probation or mentorship within the prior two years.
4. Must be physically present to direct and oversee the production of each appraisal assignment.
5. Must instruct and directly supervise a trainee in the entire preparation of each appraisal.
6. Shall approve and sign all final appraisal documents certifying the appraisals are in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).
7. Must personally supervise the entire physical inspection of each appraised property with the trainee.
8. Cannot supervise more than three trainees at any one time.
9. Must work in the same geographic area as the trainee.
10. Must work in the same state as the trainee.
11. Must provide to the Board in writing the name and address of each trainee within ten days of engagement and notify the Board immediately upon termination of engagement.

In addition to the above requirements specifically set out in rule, the Arizona Board of Appraisal strongly recommends that a supervising appraiser:

1. Teach the trainee how to write a clear, understandable scope of work that describes the steps taken to collect, verify, analyze and report the value conclusions in a manner that complies with USPAP.

2. Go with the trainee to inspect a variety of property types, conditions, complexity, and value ranges.
3. Show the trainee how to accurately measure a structure and correctly determine square footage.
4. Help the trainee identify architectural styles and features.
5. Familiarize the trainee with different types of construction, materials and quality differences.
6. Provide the trainee with instruction in how to properly research, analyze and accurately report the trainee's findings.
7. Explain to the trainee how to describe the neighborhood.
8. Explain to the trainee how to locate and use flood plain maps.
9. Explain to the trainee how to find tax/assessment data.
10. Explain to the trainee how to review and analyze historical data.
11. Explain to the trainee how to confirm zoning and explain the affects zoning has on highest and best use.
12. Explain to the trainee how to draw a sketch.
13. Explain to the trainee how to read construction plans.
14. Teach the trainee how to develop the cost approach, including training in how to determine and support land value, understand and apply physical, functional and external obsolescence, read a cost manual, and estimate effective age.
15. Teach the trainee how to develop the income approach, including training in where to obtain rental data, alternate data sources available, income and expenses; in how to develop a gross rent multiplier (GRM); and in how to estimate rents.
16. Explain to the trainee the process of selecting appropriate comparable properties in the development of the sales comparison approach, including the importance of understanding the market area, of selecting appropriate elements of comparison, how and where to make searches, and how to verify the sales data.
17. Teach the trainee how comparable sale data adjustments are derived from the market and how this process is ongoing; how to determine which adjustments are applicable; how to support your adjustments, and how to apply those adjustments in the appraisal report.
18. Teach the trainee how to analyze and reconcile the data collected; and provide instruction in how to appropriately consider all the information gathered, including prior listings, current competitive listings, and offers to purchase to determine a value opinion.
19. Insist that all work is proofread for errors, typographical errors, and misstatements.

As a licensed* or certified appraiser, a supervising appraiser must comply with USPAP by:

1. Disclosing in the appraisal report any significant assistance supplied by the trainee.
2. Disclosing the intended use, intended user, scope of work, and the reporting option in the appraisal report.
3. Complying with the record keeping requirements that provide for the trainee's access to and retrieval of reports completed while in training. **Note:** The Arizona Board of Appraisal requires that the sample reports submitted in connection with an application be true, accurate, signed copies with no redactions.

*Commencing January 1, 2008, a licensed appraiser will no longer be able to act as a supervising appraiser.